

SENATE BILL REPORT

SB 5149

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, FEBRUARY 22, 1991

Brief Description: Regulating political gifts and public office funds.

SPONSORS: Senators Nelson and Rasmussen; by request of Public Disclosure Commission.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5149 be substituted therefor, and the substitute bill do pass.

Signed by Senators Nelson, Chairman; Erwin, Hayner, L. Kreidler, Madsen, Newhouse, Rasmussen, and A. Smith.

Staff: Richard Rodger (786-7461)

Hearing Dates: February 7, 1991; February 13, 1991; February 19, 1991; February 22, 1991

BACKGROUND:

The Public Disclosure Act requires elected and appointed officials to file a yearly report detailing contributions received for unreimbursed public office-related expenses. Concern has been expressed to the Public Disclosure Commission (PDC) that the reporting requirements which pertain to public office fund contributions and expenditures are inadequate and infrequent.

SUMMARY:

A separate account is established from which all public office fund expenditures are made. Registration with the PDC is required within two weeks of the day the public office fund is created. The official named in the registration statement is required to preserve the financial records of the office fund for not less than five years following the year in which the transaction occurred. The public office fund report is changed from an annual to a quarterly report.

The public office fund may only be used to pay expenses incurred solely because of the person holding a public office. Public office funds may not be used to support or oppose a candidate, political party, political committee, or ballot proposition. An official's public office fund cannot be used to reimburse that official for lost earnings resulting from holding office, nor may such funds be transferred to the public office fund of another person.

Surplus funds of a candidate may be transferred to a public office fund if the candidate becomes an elected official.

The terms "benefit" and "gift" are defined. Certain gifts such as intrafamily gifts and gifts not in excess of \$50 in value are not considered reportable. Every official and officer is required to file a statement of financial affairs including a description of any gifts received during the preceding calendar year.

EFFECT OF PROPOSED SUBSTITUTE:

A uniform dollar amount is established for Public Disclosure Commission (PDC) reporting requirements. Lobbyists are required to report each individual expenditure of more than \$50 for entertainment expenses. Elected officials and state executive officers are required to report any entertainment, meals, or refreshments received which exceed \$50 in value.

Lobbyists are required to provide copies of PDC expenditure reports to candidates or officials named in the report.

Surplus campaign funds may be used for nonreimbursed public office related expenses incurred within 60 days of the election.

Appropriation: none

Revenue: none

Fiscal Note: requested

Effective Date: January 1, 1992

TESTIMONY FOR:

There needs to be a separate account established for public office funds with a PDC registration requirement. There also needs to be more frequent reporting of financial activity for public office expenses. Elected officials and state executive officers should be required to report the receipt of gifts over the value of \$50 and of entertainment valued over \$100.

TESTIMONY AGAINST: None

TESTIFIED: Graham Johnson, Public Disclosure Commission (pro)